



CTIA

Building The Wireless Future™
Cellular Telecommunications & Internet Association

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

February 1, 2002

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
12th Street Lobby, TW-A325
Washington, DC 20554

Re: Ex Parte Presentation

**Docket No. 96-45; Docket No. 98-171; Docket No. 90-571; Docket No. 92-237/
NSD File No. L-00-72; CC Docket No. 99-200; CC Docket No. 95-116**

Dear Ms. Salas:

On January 31, 2002, Bruce Cox of CTIA, Anne Hoskins and Steve Berman of Verizon Wireless, Roger Sherman of Sprint PCS, Susan Wichman of Cingular Wireless and Doug Brandon of AT&T Wireless met with Jordan Goldstein, Senior Legal Advisor to Commissioner Michael J. Copps regarding the above-referenced proceedings. Our presentation is summarized in the attached document, which was provided to Mr. Goldstein.

Pursuant to Section 1.1206 of the Commission's Rules, this letter is being filed in each of the above-referenced dockets. If you have any questions concerning this submission, please contact the undersigned.

Sincerely,

Bruce K. Cox

Bruce K. Cox

Attachment

cc: Jordan Goldstein

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CELLULAR TELECOMMUNICATIONS & INTERNET ASSOCIATION

UNIVERSAL SERVICE PRESENTATION

January 31, 2002

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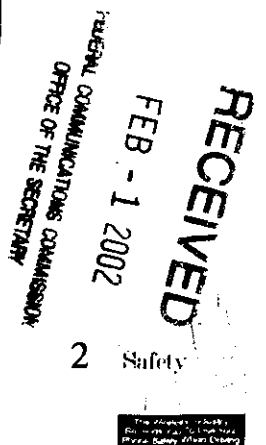
Safety

The Federal Reserve
Board of Governors
Washington, D.C. 20540
www.federalreserve.gov

OVERVIEW



- THE USF COALITION PROPOSAL WOULD UNFAIRLY BURDEN WIRELESS CARRIERS.
- THE COMMISSION SHOULD CONSIDER SEVERAL PROPOSALS IN ITS UPCOMING FURTHER NOTICE OF PROPOSED RULEMAKING, INCLUDING MINOR MODIFICATIONS TO THE STATUS QUO.
- ANY CONTRIBUTION MECHANISM CHOSEN BY THE COMMISSION MUST SATISFY SECTION 254(b)(4) OF THE ACT.



THE USF COALITION PROPOSAL WOULD UNFAIRLY BURDEN WIRELESS CARRIERS



- The USF Coalition (“IXC”) proposal fails a Section 254 analysis because it is neither “equitable” nor “non-discriminatory.”
 - Section 254 of the Act places an obligation on ALL carriers providing interstate/international services to fund universal service.
 - Under the IXC proposal, IXCs are not required to contribute.
 - Under the IXC proposal, CMRS contributions would more than double, unfairly burdening the wireless industry.

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THE FCC SHOULD NOT USE THE USF PROCEEDING AS A MECHANISM TO ADDRESS IXC PROBLEMS



- Declining revenues may impact *how much* a carrier pays into the USF, but should not impact *whether* a carrier pays into the USF.
- It is not “equitable” or “non-discriminatory” to disproportionately shift the funding burden away from one segment of interstate carriers to another segment of interstate carriers.

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THE COMMISSION SHOULD CONSIDER SEVERAL PROPOSALS IN ITS FURTHER NOTICE OF PROPOSED RULEMAKING



- The Commission should consider fully several proposals in addition to the IXC proposal.
 - The Commission should consider maintaining the wireless safe harbor.
 - The Commission should seek comment on the Sprint proposal.

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Cont.

THE COMMISSION SHOULD CONSIDER SEVERAL PROPOSALS IN ITS FURTHER NOTICE OF PROPOSED RULEMAKING (cont.)



- The Commission should seek comment on the Sprint proposal with modifications. (e.g., LECs not collection agents for IXC's; eliminate collect and remit).
- The Commission should seek comment on the current funding mechanism and possible modifications. (e.g. interstate revenues set using simplifying assumptions; safe harbor percentage).

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CONCLUSION

- **The Commission's FNPRM should focus on more than the IXC proposal.**
- **The Commission should seek comment on the current system.**
- **Any mechanism chosen by the Commission must be competitively and technologically neutral.**

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